

PREPARED STATEMENT OF
KATHLEEN B. COOPER
NOMINATED TO BE UNDER SECRETARY FOR ECONOMIC AFFAIRS
U. S. DEPARTMENT OF COMMERCE
U. S. SENATE COMMITTEE ON COMMERCE, SCIENCE AND
TRANSPORTATION
WEDNESDAY, MAY 16, 2001

Chairman McCain and members of the Committee, I am pleased to appear before you today regarding my nomination as Under Secretary for Economic Affairs at the Department of Commerce. I thank this Committee for holding today's hearing and thank President Bush and Secretary Evans for placing their confidence in me with this nomination.

Indeed, confidence is a crucial element in any relationship. Over the years the American people, policymakers, and officials in other countries have developed confidence in the statistics provided to them about the U.S. economy. The role of the Economics and Statistics Administration (ESA) of the U. S. Department of Commerce is to ensure that that confidence is well placed. A very large share of the economic and social data that measures the U.S. economy and moves markets is produced by the analysts at the Bureau of Economic Analysis (BEA) and the Census Bureau – and an ever-increasing share of that data is made available electronically by STAT-USA – all a part of the Economics and Statistics Administration of the Department of Commerce.

The American economy is constantly changing. The makeup of our national output is evolving in ways that make it more challenging to measure. Understanding these changes is a critical function of the economic statistics organizations of the U.S. government, as is employing the more sophisticated techniques required. Priorities for methodological adjustments have been set and some important changes implemented in recent years, but more must be considered.

It is critical that policymakers and the American people have the best information possible upon which to base their decisions. Accurate assessments of the growth rate of GDP, the level of housing construction, and changes in retail sales assist businesses and not-for-profit organizations with their planning and policymakers with their decisions. Knowledge about income growth and distribution and the makeup and health of families also enhances government policy determinations.

The onslaught of new goods and services being produced today, created by the flood of innovation that has swept our economy in the second half of the 1990s, presents unprecedented challenges to the BEA and Census Bureau. Americans and others have confidence in the answers provided to them regarding these issues. Important reasons why are the professionalism of the economic and statistical analysts who work for U. S. government organizations and the belief that the latest and best measurement and analysis techniques are being funded and utilized.

After several years of insufficient resource availability for economic statistics, President Bush has requested increased resources for BEA in order to upgrade the analytical capabilities and yardsticks of the economy. I am committed to working hard to ensure that these and future resource increases are used effectively.

In an economy and society that is increasingly organized around information, a nation's statistical agencies are a treasured national resource. If confirmed, I will work diligently to protect and enhance this resource. Having spent my career as a user and interpreter of the economic statistics produced by the Bureau of Economic Analysis and the Census Bureau, I relish the opportunity to lead and support their efforts at a very important point in their existence, and I look forward to working with this Committee and other ESA stakeholders in this important endeavor.